

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0975-03
Bill No.: HCS for HBs 303 and 239
Subject: Licenses - Professional; Military Affairs
Type: Original
Date: March 15, 2011

Bill Summary: Authorizes the issuance of temporary courtesy professional licenses and certificates for nonresident military spouses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Missouri Military Family Relief	Less than \$100,000	Less than \$100,000	Less than \$100,000
Total Estimated Net Effect on <u>Other</u> State Funds	Less than \$100,000	Less than \$100,000	Less than \$100,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture, Office of State Courts Administrator, Department of Economic Development, Department of Elementary and Secondary Education, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Department of Mental Health, Department of Natural Resources , Department of Corrections, Department of Health and Senior Services, Department of Labor and Industrial Relations, Department of Revenue, Missouri Department of Transportation, Office of the Governor, Office of Prosecution Services, Office of State Public Defender, Office of State Treasurer, and Office of State Auditor** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Office of Administration (COA) - Division of Purchasing and Materials Management (DPMM)** state no long range implications can be determined at this time since the number of qualified veteran-owned businesses willing to bid with DPMM is unknown.

Officials from the **COA - Division of Personnel** assume this legislation duplicates an obligation already existing for the merit system agencies that status as a veteran, disabled veteran, surviving spouse or spouse of a disabled veteran is awarded additional points to a passing grade for the register ranking. Merit agencies would experience limited impact.

Officials from the **Department of Public Safety (DPS) - Missouri State Highway Patrol (MHP)** state the proposed legislation allows appropriate agencies to issue temporary licenses and/or certificates to nonresident military spouses to be able to legally practice their profession or occupation while residing in the state of Missouri. The appropriate agency or board would conduct, at the agency's expense, a criminal background investigation on the individual. Since the MHP currently performs background checks for various agencies at the agency's expense, the MHP anticipates no fiscal impact.

ASSUMPTION (continued)

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Social Services (DSS)** state this proposal expands the veterans' preference from businesses owned by serviced-disabled veterans to all veterans and increases the preference from three to five points. This expansion has the potential to increase purchasing costs to agencies.

Because there are a number of unknowns (whether veteran businesses will bid, the proximity of costs between the vendors, the responsiveness of vendors, the experience, reliability and method of performance, and whether the same 200-point method will be used to evaluate bids that has been used in the past, etc.), the ultimate impact of this provision is unknown.

Officials from the **Missouri Department of Conservation (MDC)** state it is uncertain how many bids would actually attract bids from qualified veteran-owned businesses and whether or not the five point preference would allow the award to go to a qualified veteran-owned business and whether or not that preference would actually increase the amount awarded. Therefore, the MDC assumes an unknown fiscal impact.

Officials from the **DPS - Missouri Veterans Commission (VET)** assume an unknown fiscal impact as the bill will increase the likelihood of insolvency of the Veterans Commission Capital Improvement Trust Fund (VCCITF).

Oversight assumes a minimal number of additional applications will be authorized because of this proposal for the World War II, Korean Conflict, and the Vietnam War medallion, medals and certificates of appreciation. Therefore, **Oversight** assumes the OTAG/MoNG will be able to absorb the additional applications resulting from this proposal within current appropriations. **Oversight** assumes no fiscal impact from this proposal.

Officials from the **Missouri National Guard (MoNG)** did not respond to **Oversight's** request for a statement of fiscal impact. However, in response to similar legislation from the current session (HB 149) the MoNG provided a response which did not indicate any administrative impact to their organization.

MoNG officials stated that 33% of the donations for this program are from the tax check-off program. If this proposal is not adopted, it would have a significant impact on the financial assistance provided to military families, and could potentially result in a loss of revenue to the fund of approximately \$50,000.

ASSUMPTION (continued)

Oversight assumes that MoNG could administer this program with existing resources, and notes that this proposal would extend a check-off authorization program under which Missouri individual and corporate income tax filers may designate a part of their income tax refund to be deposited to the Missouri Military Family Relief Fund. The refund designation does not change the amount of tax due, so there is no impact on income tax revenues to the state of Missouri.

The Missouri Military Family Relief Program is authorized under separate statutory provisions, and **Oversight** assumes the relief program would continue without the checkoff program. The relief program has received over \$365,000 in donations over the past four years in addition to \$208,000 from the checkoff program over the past five years.

Oversight assumes this proposed legislation would extend an existing provision by removing or changing the expiration date. **Oversight** also assumes removing or changing the expiration date would extend any fiscal impact associated with the existing provision. Therefore, **Oversight** will reflected an estimated impact of less than \$100,000 per year in the fiscal note.

The statutory check-off provision would sunset as of August 28, 2011 without this extension, and **Oversight** assumes that the check-off program would be available for 2010 income tax returns filed beginning January 2011 (FY 2011). Missouri income tax returns for 2011 would be filed beginning January 2012 (FY 2012) and the check-off program would not be available on those returns.

Oversight assumes that since it is unknown if any businesses would qualify for the preference allowed by this proposal or be willing to bid on proposals, any impact of this proposal can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
MISSOURI MILITARY FAMILY RELIEF FUND			
<u>Additional Revenue</u> - Income tax checkoff	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>
ESTIMATED NET EFFECT ON MISSOURI MILITARY FAMILY RELIEF FUND	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may impact small businesses that qualify for the veteran's preference.

FISCAL DESCRIPTION

The proposed legislation would extend the sunset date on the Missouri Military Family Relief Fund to December 31, 2017.

The proposal may duplicate another state program.

This legislation is not federally mandated and would not require additional capital improvements or rental space.

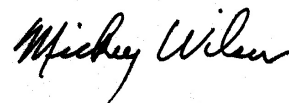
SOURCES OF INFORMATION

Office of Attorney General
 Department of Agriculture
 Office of Administration -
 Division of Personnel
 Division of Purchasing and Materials Management

SOURCES OF INFORMATION (continued)

Office of State Courts Administrator
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Revenue
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
 Missouri Veterans Commission
Office of the Governor
Missouri Department of Conservation
Office of Prosecution Services
Office of State Auditor
Office of Secretary of State
Office of State Public Defender
Office of State Treasurer

NOT RESPONDING: Missouri National Guard

A handwritten signature in black ink, appearing to read "Mickey Wilson". The signature is written in a cursive, flowing style.

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Mickey Wilson, CPA
Director
March 15, 2011

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